Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Text

CONFIDENTIAL

PAGE 01 USBERL 00230 01 OF 02 211711Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
ACDA-07 IO-13 EB-08 COME-00 TRSE-00 /086 W
----------211805Z 130032 /47
R 211628Z JAN 77
FM USMISSION USBERLIN
TO AMEMBASSY BONN
INFO SECSTATE WASHDC 3867
AMEMBASSY BERLIN UNN
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION USNATO
CINCUSAREUR

C O N F I D E N T I A L SECTION 1 OF 2 USBERLIN 0230

CINCUSAREUR FOR POLAD

E.O.11652: GDS
TAGS: PFOR, WB GE GW
SUBJECT: TARIFF FOR ALLIED MILITARY TRAINS TO BERLIN: ANALYSIS

REF: A. USBERLIN 0215 B. BONN 935, C. BONN 1211

1. SUMMARY:
MISSION CONCURS IN BASIC APPROACH OUTLINED
BY BONN GROUP WITH ONE IMPORTANT EXCEPTION. WE HAVE
GENERAL TRIPARTITE MISSION AGREEMENT THAT REICHSBAHN
SHOULD BE TOLD BEFORE FEB 1 THAT IF THEY WISH TO PURSUE
THIS MATTER THEY SHOULD RAISE IT WITH THE SOVIETS AND
THAT SOVIET EMBASSY SHOULD BE TOLD BEFORE FEBRUARY THAT
WE HAVE MADE THIS RESPONSE TO REICHSBAHN AND THAT IF
SOVIETS COME BACK TO US ON IT WE WILL CONSIDER THE
MERITS OF THE PROPOSAL AT THAT TIME . INFORMATION THAT
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 USBERL 00230 01 OF 02 211711Z

REICHSBAHN HAS NEVER RECEIVED PAYMENT FOR ALLIED
PASSENGER TRAINS (WHICH MAKE UP BULK OF ALLIED RAIL
PAYMENTS) THAT BONN GROUP HAS RECEIVED FROM FRG
AND WE HAVE CONFIRMED INDEPENDENTLY FROM USAREUR RAIL
EXPERT, MAKES US WARY, HOWEVER, ABOUT ACCEPTING AT
VERY OUTSET PRINCIPLE OF COMPENSATING REICHSBAHN
FOR THIS OCCUPATION SERVICE. WE BELIEVE, THEREFORE,

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

THAT IT WOULD BE USEFUL FOR BONN GROUP TO FINALIZE RECOMMENDATIONS FOR PRE-FEBRUARY 1 APPROACHES TO REICHSBAHN AND SOVIETS ALONG LINES DISCUSSED ABOVE AND FOR MISSIONS TO PROVIDE BONN GROUP SUBSEQUENTLY WITH RECOMMENDATION ON PASSENGER FARE ASPECT WHICH BONN GROUP CAN CONSIDER IN CONNECTION WITH QUESTION OF HOW WE SHOULD RESPOND IF SOVIETS MAKE APPROACH TO US. END SUMMARY.

2. WE AGREE ON THE FACE OF IT THAT A FARE INCREASE MIGHT BE IN ORDER, BUT WE WONDER WHO SHOULD PAY FOR IT. AS NOTED REFS A AND B, A FOUR POWER PROCEDURE WAS ESTABLISHED IN 1946 THAT THE EXPENSES OF THE OCCUPATION WOULD BE BORNE BY THE ZONES OF GERMANY IN WHICH OCCUPATION ACTIVITIES TOOK PLACE. SINCE WE HAVE MAINTAINED THE PRINCIPLE WITH REGARD TO PASSENGER TRAIN TARRIFS FOR 31 YEARS, ONE MIGHT ARGUE THAT THE REICHSBAHN REQUEST FOR A FARE INCREASE OUGHT TO BE DIRECTED TO THE AUTHORITIES IN THE FORMER SOVIET ZONE (I.E., GDR), WHO IF THEY WISHED RELIEF MIGHT TAKE IT UP WITH THE SOVIETS.

3. PASSENGER TRAFFIC REVENUES REPRESENT THE BULK (ABOUT THREE-FOURTHS) OF ALLIED PAYMENTS FOR RAIL TRAFFIC BETWEEN BERLIN AND THE FRG. BY OUR ROUGH CALCULATION THE REICHSBAHN WOULD INCREASE ITS TAKE FROM US RAIL REVENUES FROM ABOUT DM 1.2 MILLION TO 6.4 MILLION A YEAR IF IT RECEIVED THE FARE INCREASE AND THE SAME REIMBURSEMENT TERMS THAT NOW EXIST
CONFIDENTIAL

FOR FREIGHT PAYMENTS. IT MAY BE, AS IMPLIED BY SOVIET EMBASSY OFFICER TYUTYUNOV (REF B), THAT THE SOLE REICHSBAHN MOTIVE FOR FARE INCREASE IS MERELY A BUSINESSLIKE DESIRE THAT TARIFFS KEEP PACE WITH EXPENSES, BUT IF THAT WERE THE CASE WE ARE SURPRISED THAT THE REICHSBAHN DID NOT LONG AGO SEEK FARE INCREASES. MORE LIKELY, WE THINK THAT THE EAST GERMANS, WHO BY ABSORBING THESE COSTS FOR 31 YEARS HAVE AS A PRACTICAL MATTER BORNE SOME OF THE COSTS OF THE ALLIED GARRISONS IN BERLIN, ARE NOW ALSO SEEKING TO ELIMINATE WHAT THEY REGARD AS AN ANACHRONISM. WE ALSO NOTE THAT MANY RECENT GDR MEASURES HAD AS ONE COMMON DENOMINATOR THE END RESULT OF BRINGING IN ADDITIONAL HARD CURRENCY.

4. WHATEVER GDR MOTIES, IT IS UNACCEPTABLE FOR THE REICHSBAHN TO BE SEEKING A BILATERAL CHANGE OF THE TARRIF SITUATION ESTABLISHED BY FOUR POWER AGREEMENT. THEREFORE,WHILE WE SHARE THE OPINION OF ALLIED REPRESENTATIVES IN BONN (BONN 649) THAT FARE INCREASE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

ON ITS FACE SEEMS IN ORDER AFTER 31 YEARS, WE ARE
WARY EVEN OF CONCEDING THIS POINT AT THE VERY OUTSET.
THE PRINCIPLE INVOLVED IS THE SEPARATE AND DISTINCT
NATURE OF THE ALLIED ACCESS REGIME. AS IN THE CASE
OF THEAIR CORRIDORS, WE WANT TO RESIST ENCROACHMENT
ON THIS REGIME. SPECIFICALLY WE WOULD NOT WANT TO
CONCEDE TO THE SOIVETS, GDR, OR REICHSBAHN ANY FARE
INCREASE IF BY SO DOING WE WERE TO ERODE A FOUR-
POWER POLICY WHICH WE VALUE. WE WONDER WHETHER THIS
POLICY MAY HAVE APPLICATION ELSEWHERE. FOR EXAMPLE,
WHEN AUTOMOBILE ACCIDENTS OCCUR ON THE AUTOBAHN, OR
IN THE COURSE OF MILITARY LIAISON MISSION PATROLS,
THE COST FOR DAMAGES TO EAST GERMAN PROPERTY ARE
PRESENTLY BORNE BY THE EAST GERMANS. THERE MAY STILL
BE OTHER IMPLICATIONS.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 USBERL 00230 02 OF 02 211717Z
ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-01 INR-07 L-03
NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06
ACDA-07 IO-13 EB-08 COME-00 TRSE-00 /086 W
----------211805Z 130117 /47
R 211628Z JAN 77
FM USMISSION USBERLIN
TO AMEMBASSY BONN
INFO SECSTATE WASHDC 3868
AMEMBASSY BERLIN
AMEMBASSY LONDON
AMEMBASSY MOSCOW
AMEMBASSY PARIS
USMISSION NATO
CINCUSAREUR

C O N F I D E N TI A L SECTION 2 OF 2 USBERLIN 0230

CINCUSAREUR FOR POLAD

5. ON THE BASIS OF THIS ANALYSIS, WE HAVE TOLD THE
ALLIED MISSIONS HERE THAT WE THINK CONSTRUCTION OF
A DETAILED SCENARIO FOR DISCUSSIONS OF THIS SUBJECT
WITH THE SOIETS IS PREMATURE. WE PREFER A STEP-BY-
STEP APPROACH WHICH KEEPS THE EASTERN SIDE IN THE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

POSITION OF THE DEMADEUR. AS THE FIRST STEP, WE FAVOR
BRITISH PROPOSAL, AGREED TO BY FRENCH HERE, OF TELLING
THE REICHSBAHN PRIOR TO FEB. 1 THAT THE MATTERS RAISED
IN THEIR LETTER ABOUT TARIFF INCREASES SHOULD BE
TAKEN UP WITH THE SOVIETS. WE MIGHT ALSO CONSIDER
MENTIONING TO THE SOVIETS AT THE PROTOCOL OFFICER LEVEL
WHAT WE HAVE TOLD THE REICHSBAHN, AND OBSERVE THAT WE
EXPECT THAT ALLIED TRAINS WILL CONTINUE TO MOVE
UNHINDERED BETWEEN THE FRG AND BERLIN.
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 USBERL 00230 02 OF 02 211717Z

6. WHEN AND IF IT COMES DOWN TO PRACTICAL NEGOTIATIONS,
WE WOULD FAVOR TREATING IT AS TECHNICAL MATTER AND
ASKING BUNDESBAHN TO ACT AS OUR AGENT AS THEY HAVE
DONE ON SCHEDULING QUESTIONS SENCE 1949. OUR INTENTION
HERE WOULD BE TO PROVIDE A QUADRIPARTITE COVER FOR
SUCH TECHNICAL TALKS. AS A PRACTICAL MATTER, WE SEE
ALMOST NO CHANCE THAT THE SOVIETS COULD BE INDUCED TO
DEAL WITH THE TECHNICAL SPECTS OF RAIL PRICING NOR
DO WE SEE MUCH POINT IN REVERTING TO SUCH IMMEDIATE
POST-WAR PRACTICES.

7. RE BONN 1211, WE DO NOT WANT TO OVERREACT TO THE FEB. 1
DEADLINE. IT WOULD BE DESIRABLE, AND WE THINK PRACTICAL, TO PASS
A COMMUNICATION IN THE FOREGOING SENSE TO THE REICHSBAHN PRIOR
TO THAT DATE, BUT THE TECHNICAL TALKS WILL TAKE TIME TO GET
STARTED, AND PRESUMABLY WILL BE OF SOME DURATION ONCE UNDERWAY.
AS TO THE S-BAHN, WE WOULD LIKE TO AVOID ANY LINKAGE WITH THE
REICHSBAHN FARE PROBLEM. S-BAHN WILL BE WITH US, PERHAPS FOR
DECADES, OR AT LEAST UNTIL LAST S-BAHN STATION HAS BEEN TURNED
INTO FLOWER MARKET. REICHSBAHN TARIFFS ETC ARE
CURRENT PROBLEMS WHICH MAY BE SOLVED FAIRLY EASILY.

8. FRENCH AND BIRITSH HERE ARE THINKING ALONG LINES
OF THIS MESSAGE. HOWEVER, FRENCH, AT LEAST, WILL
NEED EMBASSY APPROVAL FOR EACH STEP IN ANY SCENARIO
WE AGREE.

9. USCOB CONCURS. DAVIS

CONFIDENTIAL

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, STUDIES, TARIFFS, RAILROADS, BERLIN RAILROAD ACCESS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Jan-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977USBERL00230
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770023-0301
Format: TEL
From: USBERLIN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770128/aaaaayhb.tel
Line Count: 214
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 51c6b7d2-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 USBERLIN 215, 77 BONN 1211
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 02-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3531303
Secure: OPEN
Status: NATIVE
Subject: TARIFF FOR ALLIED MILITARY TRAINS TO BERLIN: ANALYSIS
TAGS: PFOR, WB, GC, GE, US
To: BONN
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/51c6b7d2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009